



**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 10/21/03

AGENDA ITEM 5

WORK SESSION ITEM \_\_\_\_\_

**TO:** Mayor and City Council

**FROM:** Director of Community and Economic Development

**SUBJECT:** Adoption of the Housing Element for the City of Hayward

**RECOMMENDATION:**

It is recommended that the City Council rely on the previously approved environmental documents and adopt the attached resolution adopting the General Plan Housing Element.

**BACKGROUND:**

On March 12, 2002, the City Council adopted the Revised General Plan (excluding the Housing Element) and certified the Environmental Impact Report (EIR). The Revised General Plan EIR also covered impacts of the draft Housing Element.

After the City Council approved submittal of the draft Housing Element to the State's Housing and Community Development Department (HCD) for review in July 2002, HCD sent the City a letter outlining four areas where more detailed information and greater specificity were required. These included:

- the inventory of appropriately zoned land, to demonstrate that Hayward has an adequate supply of land to meet ABAG's housing needs allocation;
- the condition of existing housing stock and an estimate of units needing rehabilitation;
- governmental and non-governmental constraints to the production of housing; strategies and programs in support of Housing Element policies;
- City efforts to remove constraints to the development and maintenance of housing for people with disabilities.

These topic areas were addressed (Exhibit A. Synopsis of Changes to the Housing Element) and the revised draft Housing Element was sent to HCD for further review.

On July 10, 2003, staff met with HCD representatives in Sacramento to discuss the revisions. On September 4, 2003, HCD representatives said that a letter, certifying that the City's Housing Element is in compliance with State law, could be issued if the City addressed two additional points in the Housing Element. One was to include five additional housing developments in Housing Element Table 5.49: Assisted Housing At Risk of Conversion to Market Rate. The second was the addition of the following housing program:

The City will monitor and evaluate the impact of Hayward's zoning requirements for homeless shelters and, if necessary, revise the process to facilitate shelter development. (Program 5.2.3 of the revised Element)

These additions have been made.

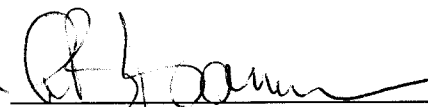
A public hearing was conducted by the Planning Commission on October 9, 2003. At that meeting, the Planning Commission voted 6-0 to recommend that City Council adopt the revised Housing Element of the General Plan.

#### **Environmental Review and Public Notice**

An Environmental Impact Report (EIR) for the Draft General Plan, including the Draft Housing Element, was prepared pursuant to the California Environmental Quality Act (CEQA) and City implementing guidelines. The City Council certified the final Environmental Impact Report on March 12, 2002.

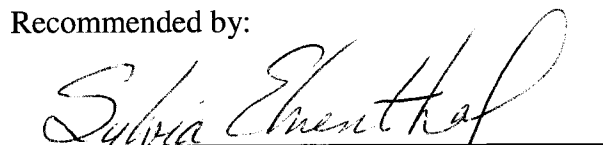
The Public Notice for this hearing was published in the Daily Review on September 27, 2003.

Prepared by:



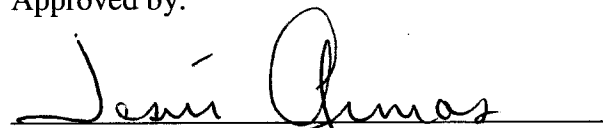
Ann R Bauman, Neighborhood and  
Economic Development Manager

Recommended by:



Sylvia Ehrenthal, Director of Community  
and Economic Development

Approved by:



Jesús Armas, City Manager

Attachments:

- Exhibit A. Synopsis of Changes to the Housing Element
- Exhibit B. Planning Commission Agenda Report for October 9, 2003
- Exhibit C. Planning Commission Minutes for October 9, 2003
- Exhibit D. Revised Housing Element

Resolutions

## SYNOPSIS OF REVISIONS TO THE HOUSING ELEMENT

Change	Description
Land Inventory of Potential Sites	<p>Sites of one acre or more were selected for the land inventory due to their greater development potential. Staff reviewed the characteristics of each parcel in the land inventory using Win2Data (the information service utilized by the City to obtain parcel number, address, ownership and other relevant information). Staff visually checked every parcel. Sites must also meet the HCD definition of "suitable for residential development." All sites in the inventory meet this definition and are free from flooding, chemical contamination, other environmental constraints and slope instability; these sites have no greater seismic hazards than other residential properties in Hayward. The City will be able to meet its projected housing needs through a combination of vacant land that is residentially-zoned, residentially-zoned sites within the Redevelopment Area, and projects that have been constructed since the beginning of the planning period.</p>
Governmental and Non-Governmental Constraints	<p>Much more detail was added to this section. The direction from HCD was to add as much specific information from the Zoning Ordinance and other development handouts and guidelines as possible. Therefore, staff added detailed descriptions of land use and zoning designations; permitted uses and set-backs; design guidelines and parking requirements. In addition, greater detail was added regarding the City's planning and building permit processes, processing timelines and fees, building codes and infrastructure. In the Non-Governmental Constraints section, more information about the impacts of Hayward's physical environment on residential development was added (e.g., soils, flooding, etc.).</p>
Strategies And Programs in Support of Housing Element Policies	<p>Per HCD's request, the strategies and programs were revised to be more specific and measurable in regard to program implementation. As much as possible, specific timeframes were given for each program. As requested by HCD, a table of revenues and expenditures for the Low/Mod Fund was added.</p>
Removal of Constraints to Housing for People with Disabilities	<p>A new section was also added to the Element. In 2002, State Housing Element law was amended to require that the Element discuss -- as part of the government constraints analysis -- potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities. The Element was revised to demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. Staff listed programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities.</p>

**SYNOPSIS OF REVISIONS TO THE HOUSING ELEMENT**

<b>Change</b>	<b>Description</b>
Assisted Housing at Risk of Conversion to Market Rate	Five additional housing developments listed by the California Housing Partnerships Corporation (CHPC) were added to Housing Element Table 5.49: Assisted Housing At Risk of Conversion to Market Rate.
Add A Housing Program to Ensure that Homeless Shelters Can Be Developed in Hayward	<p>Per HCD, the following housing program was added:</p> <p>The City will monitor and evaluate the impact of Hayward's zoning requirements for homeless shelters and, if necessary, revise the process to facilitate shelter development. (Program 5.2.3 of the revised Element)</p>



## CITY OF HAYWARD

### AGENDA REPORT

AGENDA DATE 10/09/03

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM \_\_\_\_\_

**TO:** Planning Commission

**FROM:** Ann R. Bauman, Neighborhood and Economic Development Manager

**SUBJECT:** City of Hayward Revised Housing Element

#### RECOMMENDATION:

It is recommended that the Planning Commission review, comment and recommend City Council adoption of the attached revised Housing Element.

#### BACKGROUND:

After the City Council approved submittal of the Housing Element in July 2002, it was sent to the State's Housing and Community Development Department (HCD) for review. HCD sent the City a letter outlining four topic areas where more detailed information and greater specificity were required:

- the inventory of appropriately zoned land, showing that Hayward has an adequate supply of land to meet ABAG's housing needs allocation;
- the condition of existing housing stock and an estimate of units needing rehabilitation;
- governmental and non-governmental constraints to the production of housing, and
- strategies and programs in support of Housing Element policies.

The paragraphs that follow discuss the significant revisions in greater depth.

#### Land Inventory of Potential Sites

For HCD and the housing industry in general, an inventory of land to meet the Regional Housing Needs Determination is the single most important component of the Housing Element. HCD believes that Housing Element law requires jurisdictions to list every parcel included in the land inventory and, for each one, provide the zoning designation, number of acres, density range, availability of services and infrastructure and dwelling unit capacity. Two inventories are required -- one for vacant land and one for sites that are available for redevelopment or recycling. If the jurisdiction has sufficient vacant land zoned for residential uses at appropriate densities, the inventory of sites that could be redeveloped is optional.

Based on HCD's comments, the Land Inventory has been revised. Staff reviewed the characteristics of each parcel using Win2Data (the real property information service utilized by the City to obtain parcel number, address, ownership and other relevant information). Staff has visually checked every parcel. Sites of one acre or more were selected for the land inventory

because of their greater development potential. The primary purpose of the land inventory is to show that sufficient sites are available to meet the City's regional housing need by income level category, particularly the need for units for very low- and low-income households.

HCD equates income level categories with zoning designations; for example, sites with high density residential zoning are identified as sites that may be affordable to very low income households. In addition, sites must meet the HCD definition of "suitable for residential development." All sites in the inventory meet this definition. They are free from flooding, chemical contamination, other environmental constraints and slope instability; these sites have no greater seismic hazards than other residential properties in Hayward. The table below summarizes the findings in the Housing Element.

**HAYWARD'S ABILITY TO MEET  
THE REGIONAL HOUSING NEED ALLOCATION, 1999-2006**

	<b>Total</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>
Total Units That Could Be Built In Planning Period	3,749	1,261	485	935	1,068
Hayward's Regional Housing Need Allocation	2,835	625	344	834	1,032
Ability to Meet (Not Meet) Regional Housing Need	914	636	141	101	36

The table above shows that the City will be able to meet its projected housing needs for units affordable to moderate, low and very low income households through a combination of vacant land that is residentially-zoned, residentially-zoned sites within the Redevelopment Area, and projects that have been constructed since the beginning of the planning period. Land for units in excess of the Need Allocation for 1999-2006 will be available to meet future housing need allocations.

**Governmental and Non-Governmental Constraints**

Much more detail was added to this section. The direction from HCD was to add to the Housing Element as much specific information from the Zoning Ordinance and other development handouts and guidelines as possible, even though this information is available in written form in other documents at the Permit Center. HCD wanted detailed descriptions of land use and zoning designations, permitted uses and set-backs; design guidelines and parking requirements. In addition, greater detail was desired regarding the City's planning and building permit processes, processing timelines and fees, building codes and infrastructure. In the Non-Governmental Constraints section, more information about the impacts of Hayward's physical environment on residential development was desired.

### **Strategies And Programs In Support Of Housing Element Policies**

Many of HCD's comments focused on making the strategies and programs more specific and measurable in regard to the City's role in program implementation. As much as possible, specific timeframes have been given for each program. As requested by HCD, a table of revenues and expenditures for the Low/Mod Fund was also added.

### **Removal of Constraints to Housing for People with Disabilities**

A new section was also added to the Element. In 2002, State Housing Element law was amended to require that the Element discuss, as part of the government constraints analysis, potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities. The Element needed to demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities and list programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities.

### **Subsequent Review by HCD**

On July 10, 2003, staff met with HCD representatives in Sacramento to discuss the revisions. As a result, on September 4, 2003, HCD representatives said that a letter, certifying that the City's Housing Element is in compliance with State law, could be issued if the City addressed two additional points in the Housing Element. The first was to include five additional housing developments in Housing Element Table 5.49: Assisted Housing At Risk of Conversion to Market Rate. The second was the addition of a housing program to monitor and evaluate the impact of Hayward's zoning requirements for homeless shelters and, if necessary, revise the process to facilitate shelter development (Program 5.2.3 of the Element). These additions have been made.

### **Environmental Review and Public Notice**

An Environmental Impact Report (EIR) for the Draft General Plan, including the Draft Housing Element, was prepared pursuant to the California Environmental Quality Act (CEQA) and City implementing guidelines. The City Council certified the final Environmental Impact Report on March 12, 2002.

The Public Notice of this hearing was published in the Daily Review on September 27, 2003.

### **Next Steps**

The revised Housing Element and Planning Commission recommendations will be forwarded to City Council. A public hearing is scheduled before the City Council on October 21, 2003. If adopted by the City Council, the Housing Element will then be submitted to HCD for certification.



Ann R. Bauman, Neighborhood and Economic Development Manager

Attachment: Revised Housing Element and Appendices

MINUTES



REGULAR MEETING OF THE  
PLANNING COMMISSION, CITY OF  
HAYWARD

Council Chambers

Thursday, October 9, 2003, 7:30 P.M.

777 "B" Street, Hayward, CA 94541

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**4. City of Hayward Revised Housing Element – Referred by Planning Director**

Neighborhood and Economic Development (NED) Manager Bauman reviewed the State Housing and Community Development Department (HCD) comments regarding the City's Housing Element. There were four areas in which they asked for more detail and greater specificity. She noted that all required changes were made. The land inventory was mapped and a visual assessment of each parcel in the inventory was completed. The City of Hayward's inventory includes only parcels that are at least one acre or more and are currently zoned for residential development. Contiguous parcels less than one acre, when combined totaled at least one or more acres were also included in the inventory. The City of Hayward can count only the high-density parcels to meet the needs of very low income housing needs. In each category, the City has demonstrated that it can meet the need. The second item was Governmental and Non-governmental constraints. HCD wanted more detailed information of the permit process and the cost of the permit fees. The City's fees are no higher than surrounding jurisdictions and usually in the mid-range or below. They wanted a more detailed discussion of the physical environment. HCD also asked for the strategies and programs to be more specific and descriptive. NED Manager Bauman noted that a new section, removal of constraints of housing with people with disabilities, had been added. After reviewing the revised Housing Element with HCD, HCD staff indicated that with two small modifications they would certify it. Those modifications have been made.

Chairperson Zermeno asked whether the Commission was to act on this.

NED Manager Bauman indicated that the action requested of the Commission was to review, comment and recommend to the City Council adoption of the revised Housing Element..

Commissioner Fraas asked whether there were zoning inconsistencies relative to the General Plan.

Planning Manager Anderly explained that all had been corrected and that each category has potentially compatible designations.

NED Manager Bauman added that staff worked closely with Senior Planner Calame during the review of each parcel in the land inventory.

Commissioner Halliday commented that it was a good report on the situation. The City has added units to fulfill the moderate and above moderate range, but has not yet added

## EXHIBIT C

### MINUTES



### REGULAR MEETING OF THE PLANNING COMMISSION, CITY OF HAYWARD

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units affordable to low and very low-income households although there is land zoned and available for these units. Although the City Council has passed the Inclusionary Zoning Ordinance, she did not see how they City would be able to meet this requirement and goal.

NED Manager Bauman agreed it was a difficult situation. She explained that staff is working with Eden Housing to develop a 50-unit multi-family residential development with units affordable to low and very low-income households. She noted that the Inclusionary Ordinance is the best tool the City has for meeting the housing needs. When the Housing Element is certified, the City will be able to access Proposition 46 funds for housing development. As a result, she said there is some hope. It just means taking it one bite at a time. The City needs to encourage developers to build low-income housing and also do our best to encourage utilization of funding for low-income units.

Commissioner Halliday asked her to comment on housing for persons with special needs. She asked how the City could analyze and promote emergency programs for serving the homeless. She noted that it was disheartening that there are only 104 beds for the homeless throughout the City, while the need for services for the homeless is increasing. Family Emergency Services (FESCO) turns away too many people each week. She asked how to promote the development of shelters and services for the homeless.

NED Manager Bauman said the City will continue to promote federally-funded programs and work with local nonprofit organizations to serve the homeless.

Commissioner Fraas asked her to discuss briefly the requirements for the City to produce new housing units and if the rehabilitation of existing housing units within the City of Hayward would count towards meeting the City's housing production requirement.

NED Manager Bauman explained that the housing production requirements are for the creation of new housing units.

Commissioner Fraas compared Hayward, which does not have an extensive supply of vacant land, with the cities in the valley, which have more vacant land available for the development of new housing units.

Chairperson Zermeño asked about the consequences if the City cannot meet the housing production requirements.

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NED Manager Bauman explained that the City may be required to rezone land currently zoned for non-residential uses to residential uses in order to meeting the production requirements.

Commissioner Halliday commented that the City of Hayward has shown that the City has enough vacant and underutilized land currently zoned for residential development to meet the production requirements. However, she noted that the City may not have the funds or means of meeting the housing production goals. She asked for further information about consequences for not meeting these goals.

NED Manager Bauman indicated that the State is aware that localities do not control financing for construction of housing development. She emphasized that HCD is primarily interested in jurisdictions documenting that they have a sufficient supply of residentially-zoned land to meet their housing production requirement. She further explained that the housing needs the City must meet were based on population projections that did not account for the downturn in the economy following the dot.com meltdown and resulting out-migration.

Commissioner Sacks asked whether out-migration of Hayward residents has resulted in a larger percentage of low and very low-income residents.

NED Manager Bauman explained that the jobs lost category was the only statistic available during the formulation of the housing production goals. She suggested that many of the households impacted by the downturn in the economy would have earned enough to purchase their own homes. However, there continue to be many current Hayward residents who want to purchase a home in Hayward. Consequently, even with the downturn in the economy, the demand for housing is still great. She added that there has not been a decline in the number of residential projects being proposed for Hayward and that residential developers are building projects.

Chairperson Zermeno asked about the status of the City's First Time Homebuyer program and if funding for this program will be available on a long-term basis.

NED Manager Bauman said that the City Council approved the repayment of home buyer assistance loans into a revolving fund. These repayments, in addition to the annual \$200,000 allocation from the Low and Moderate-Income Housing Fund, has made more than \$500,000 available for new loans. While this program is an effective tool for helping first time homebuyers, she advised it will be difficult to meet the City's goal of 70 percent of homeownership within the City.

EXHIBIT C

MINUTES



REGULAR MEETING OF THE  
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Commissioner Fraas commented that the City has not allocated CDBG funds to the Homeownership Program for the last two years.

NED Manager Bauman explained that the CDBG funds were used to assist low-income households. However, rising purchase prices resulted in affordability gaps that were too large to fill without a significant subsidy from the City - more than \$50,000 per low-income homebuyer. She also noted that HUD had added new lead-based paint requirements which made it economically infeasible to continue to provide assistance though the homeownership program.

Chairperson Zermeno asked about the total number of households in Hayward.

NED Manager Bauman said that there are approximately 44,000 in the City.

Chairperson Zermeno asked staff add a grand total to the bottom of Appendix A.

Commissioner Bogue added his thanks and commended staff on the quality of the Housing Element. He indicated that the Housing Element should be approved by the State. He expressed concern regarding the rezoning of land for housing with no regard to the services and needs of residents. He thought the State is not considering all of the issues related to residential development.

Commissioner Halliday asked about the City's progress in meeting the goal of 70% homeownership.

NED Manager Bauman noted that approximately 53% of Hayward residents are homeowners.

Planning Manager Anderly commented that every residential project proposed to the Planning Commission since the 70% homeownership policy was approved, have been ownership type housing. These proposals include rental developments that are based on condominium maps.

The public hearing was opened and closed at 8:45 p.m.

Commissioner Fraas **moved**, seconded by Commissioner Bogue, to recommend to the City Council to accept Housing element. **The motion passed 6:0, with Commissioner Thnay absent.**

HAYWARD CITY COUNCIL

RESOLUTION NO. 03-

Introduced by Council Member \_\_\_\_\_

*me*  
*10/3/03*

RESOLUTION RELYING ON THE PREVIOUSLY  
CERTIFIED ENVIRONMENTAL IMPACT REPORT AND  
ADOPTING THE DRAFT GENERAL PLAN HOUSING  
ELEMENT

WHEREAS, the City's General Plan Housing Element was adopted on July 31, 1990, and amended on July 16, 1991, to include the programs and policies for the preservation of affordable rental housing complexes, and on October 17, 1995, to adopt the Homeownership Amendment; and

WHEREAS, state law requires local jurisdictions to revise the housing elements of their general plans, including identifying and analyzing existing and projected housing needs and goals and quantifying objectives, policies, financial resources and specific programs for the preservation, improvement, and development of housing; and

WHEREAS, a draft Housing Element including all the requisite components has been prepared and forwarded to the State Department of Housing and Community Development in compliance with state law; and

WHEREAS, on March 12, 2002, City Council adopted the draft General Plan, exclusive of the Housing Element, and certified that the Environmental Impact Report (EIR) had been prepared in compliance with the California Environmental Quality Act (CEQA) and City implementing guidelines, adopting the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program; and

WHEREAS, said EIR considered potential impacts relating to the draft General Plan Housing Element; and

WHEREAS, on October 9, 2003, the Planning Commission recommended approval of the draft General Plan Housing Element.

NOW THEREFORE, BE IT RESOLVED that after consideration of the recommendations of the Planning Commission and based on the previously certified environmental documents, the City Council of the City of Hayward hereby adopts the draft General Plan Housing Element on file in the office of the City Clerk.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ATTEST: \_\_\_\_\_

City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward